

# **gas NEWS**

## Illinois Municipal Gas Agency

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Issue 32

*From the General Manager*

## **Weather, storage main concerns as summer ends.**

As the end of summer nears, municipal gas systems are looking anxiously toward the market to determine what this winter's prices will be like. While no one anticipates the huge price spikes we endured during the winter of 2005-06, there are two factors which can still play a major role in the prices we will be paying for gas this winter.

The first factor is weather. We've been fortunate. There have been fewer hurricanes than predicted, and none of them have come close to damaging Gulf of Mexico production areas. However, the season is not yet done. A late-season hurricane – like last year's Rita, which hit during the end of September – could still play havoc with winter prices.

The second factor, one which could work in our favor if there is no major hurricane damage, is storage. Despite below average injections during most of July and August, the amount of gas in storage stands at near-record levels. The respected Gerdes Group projects a 50-75 bcf storage overhang at the end of the injection season. That gas will have to go somewhere, and if fundamentals stay as they are, it could mean significant price decreases in October and November.

IMGA members need to be thinking about target prices, and be ready to act quickly as situations develop. We're ready to help. Call us if you have questions!



## **The IMGA is Going INTERSTATE!**

It will be a new name, but the same staff, the same logo, and the same service you've come to expect as the Illinois Municipal Gas Agency becomes the Interstate Municipal Gas Agency over the course of the next 60 days.

On July 21st, the IMGA Board of Directors voted to approve the name change, which must be ratified by ordinances passed by a majority of IMGA member communities. By now, all IMGA members should have received the name change ordinance, along with ordinances to admit IMGA's newest members (see story below).

"Our new name will more accurately reflect the true nature of the IMGA," said General Manager Heather Viele. "With the approval of House Bill 4349 by the Governor, and the admission of our first two members from other states, we needed a name that was more inclusive. The selection of Interstate Municipal Gas Agency will allow us to move forward, while keeping our initials, logo, web site, and other important parts of our heritage and legacy."

Following up on the board vote, the Agency has begun to use the Interstate name in its marketing efforts to communities in other states.

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## **Long-time gas purchaser Corning Iowa becomes first non-Illinois member of the IMGA; Perryville MO to follow**

The IMGA recently gained its first non-Illinois member as Corning Iowa passed an ordinance to join the Agency. A similar ordinance has been proposed for Perryville Missouri.

The new member came shortly on the heels of the approval of House Bill 4349, which allow out-of-state communities to have full voting membership in the Agency.

Corning, Iowa is located in Adams County, in the southwestern party of that state. With a population of about 1,700, the community bills itself as "A Class Act" and soon will become home to one of the new ethanol plants dotting the state.

"On behalf of the City of Corning, we are pleased to become official members of the IMGA," said Bob Cline,

manager of Corning Municipal Utilities. "We have been purchasing from IMGA for many years, and have been well satisfied with the service we've received. We're looking forward to a long term and productive relationship."

A city of 8,000 located 70 miles south of St. Louis near the Mississippi River, Perryville is known for its tree-lined boulevards and historic buildings. The community is also home to a major auto parts manufacturer, which provides substantial employment.

The Agency is in the midst of an intensified effort to market IMGA services to communities in Iowa, Missouri, Kentucky and Indiana, said IMGA Membership Manager Mark Schmidt. "There is a great potential for our Agency as we move into other states," he said.

## IMGA Member Communities

Aledo, Illinois  
Auburn, Illinois  
Bethany, Illinois\*  
Chester, Illinois  
Cobden, Illinois\*  
Corning, Iowa\*  
Divernon, Illinois  
Enfield, Illinois  
Findlay, Illinois\*  
Franklin, Illinois\*  
Grayville, Illinois  
Karnak, Illinois\*  
Louisville, Illinois  
Milford, Illinois  
New Boston, Illinois\*  
Perryville, Missouri\*  
Pinckneyville, Illinois\*  
Pittsfield, Illinois\*  
Pleasant Hill, Illinois\*  
Riverton, Illinois  
Rossville, Illinois  
Tamms, Illinois\*  
Thebes, Illinois\*  
Waverly, Illinois\*  
Westville, Illinois  
White Hall, Illinois  
Winchester, Illinois

\*Denotes purchasing members.  
Communities need not purchase  
gas to become a member

## Watch for energy conservation materials in September!

In a repeat of a popular and successful program from 2005, IMGA will again make personalized energy conservation materials available to member communities.

A mailing to all member communities in mid-September will provide details on the types of materials available, which will include bill stuffers, posters, newspaper ads, letters to the editor and news releases. Each of the items can be edited to fit the needs of a specific member community.

“Even though natural gas prices probably won’t be as high as last winter, it’s still important that every municipal gas system encourage its customers to conserve,” said IMGA Membership Manager Mark Schmidt. “Providing customers with conservation information gives them the confidence that they can help keep their energy costs down.”

“At the same time, community leaders should stress that IMGA membership also pays important cost dividends for their town.”

## IMGA to display at Illinois Municipal League Conference

The IMGA will once again be attending the Illinois Municipal League’s annual conference, held September 28 – October 1, 2006 at the Chicago Hilton and Towers on the Windy City’s magnificent Michigan Avenue.

IMGA members should be sure to drop by the Agency’s display at the conference to get the latest updates on pricing, risk management, energy conservation and other IMGA member programs and services.



*Let IMGA’s Experts  
Double Check YOUR  
Community’s Bills!*